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Governor

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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

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September 15, 2009

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 8553

David Adams
10941 West Bermuda Drive
Avondale, Arizona 85323

Subject: Permit Suspended for Failure to Pay Required Permit Fees and to Submit a Reclamation Surety, Dave Adams, Rubellite & Red Donkey, S/023/0069, Juab County, Utah

Response Required by October 31, 2009

Dear Mr. Adams:

You are hereby directed to pay past due permit fees for the referenced mining operation and to submit a reclamation surety. Your right to mine is currently suspended, and you are subject to a cessation order if any mining operations are being conducted.

Division records indicated you have failed to remit your annual permit fees for the years 2006 through 2009, including the fee for 2009-2010. The total amount due is \$600.00.

In 2006 and 2007, you were notified through a series of four letters that a reclamation surety was required, but the Division had no response. The minimum amount required is \$7400.00. Please contact the Division's bonding coordinator, Penny Berry, at 801-538-5291 or by e mail at bondcoordinator@utah.gov for further information about submitting the bond and associated reclamation contract.

The Division must receive the permit fees and the reclamation surety no later than October 31, 2009. If you fail to do so, the Division may take the following actions:

- Withdraw your Notice of Intention to Commence Small Mining Operations (subject to your appeal to the Board of Oil, Gas and Mining [Board]).
- Order immediate reclamation.



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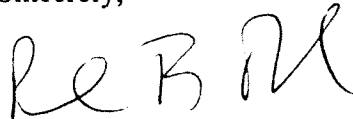
- If you fail to reclaim the mine, the Division may seek approval from the Board to reclaim the site and recover reclamation costs in a civil action brought by the attorney general in appropriate court.

As an alternative to submitting the full amount of the reclamation surety, you may reclaim the site. In this case, reclamation must be completed by October 31, 2009, and a reduced surety would be required. The amount would be \$2000.00. The Division still requires that the past due permit fees be paid.

The Bureau of Land Management has notified the Division that your Notice has expired and that reclamation is required. You will need to gain approval from the BLM before you may recommence mining operations.

Please call me at 801-538-5261 or Wayne Western at 801-538-5263 if you have questions or concerns about this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker'.

Paul B. Baker
Minerals Program Manager

PBB:whw:pb

cc: Jerry Mansfield, BLM
Wayne Western, DOGM
Brett Gregory, DOGM

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